GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2812
ANSWERED ON:02.12.2016
Farm Subsidies
Kothapalli Smt. Geetha

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken cognizance of the World Bank's view for reducing farm subsidies, import tariff cuts on cars and improvement in ports and logistic for boosting of exports;

(b) if so, the details thereof; and

(c) the steps taken/ likely to be taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL):

(a), (b) and (c): Yes Sir. World Bank's Report on 'South Asia's Turn: Policies to Boost Competitiveness and Create the Next Export Powerhouse' launched in October 2016, mentions about farm subsidies, import tariff on cars and improvement in ports and logistics for boosting of exports in India.

The gradual reduction of import tariffs experienced by the Indian auto parts and commercial vehicle sectors has been appreciated by the World Bank Group in their report. However any further import tariff cuts on cars may affect the 'Make in India' initiative of the Government and manufacturing of cars in the country adversely.

The report mentions about the farm subsidies as counterproductive. However, in India, the farm subsidies are essential in order to provide a level playing field to the farmers of India whose competitiveness is affected due to the constraints of small land holdings, inadequate infrastructure and technical knowledge, and labour intensive practices.

Improvement of Logistics for boosting exports is an ongoing effort. In this regard, a number of steps have been taken by the Government.

(i) The Department of Commerce has been pursuing with the concerned stakeholders including Ministry of Shipping, Ministry of Railways and Ministry of Road, Transport & Highways for improving logistics for boosting exports.

(ii) A working group on infrastructure upgradation has been constituted to assist the National Committee on Trade facilitation under the Chairmanship of Cabinet Secretary, an inter-ministerial body constituted to implement provisions of the Trade facilitation Agreement.

(iii) By way of trade facilitation and enhancing the ease of doing business, Government has reduced the number of mandatory documents required for exports and imports to three each, which is comparable with international benchmarks.

(iv) The trade community can file applications online for various trade related schemes. Online payment of application fees through Credit/Debit cards and electronic funds transfer from 53 Banks has been put in place.

(v) Under 'The Assistance to States for Development Export Infrastructure and Allied Activities (ASIDE) scheme' both Centre and states together work towards creation of export infrastructure by optimizing the utilization of resources to achieve the objectives of export growth.

Further, the improvement in efficiency and enhancement of capacity in major ports is a continuous process. To increase efficiency and capacity of major ports the following steps have been taken:-

(i) construction of new berths and terminals,
(ii) mechanisation of existing berths and terminals,
(iii) capital dredging for deepening of drafts for attracting large of vessels in port channels,
(iv) installation of vessel traffic management system (VTMS),
(v) implementation of Web Based Port Community System,
(vi) installation of scanners at all container terminals,
(vii) implementation of 104 initiatives to reduce time and cost of operations in ports to benchmark their performance to international standards (30 recommendations have been implemented and the remaining will be implemented in phases by 2019)
(viii) Green Port initiatives like creation of Solar Power Projects, E- Governance etc.